

Message Text

SECRET

PAGE 01 LONDON 04000 150304Z

21

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USMISSION NATO BRUSSELS

USCINCEUR

USNMR SHAPE

S E C R E T LONDON 4000

E.O. 11652: GDS

TAGS: MARR, MILI, PARM, UK, NATO

SUBJECT: UK DEFENSE REVIEW ASSESSED

REF: (A) US NATO 1328 (B) LONDON 3050

1. WITH THE SUCCESSFUL COMPLETION OF NATO CONSULTATION
ON BRITAIN'S DEFENSE REVIEW AND IMMINENT (I.E. MARCH 19)
PUBLICATION OF DEFENSE WHITE PAPER THE WILSON GOVERNMENT
CAN TAKE SATISFACTION IN HAVING BROUGHT OFF A DIFFICULT
TASK: IT HAS MANAGED A COMPREHENSIVE REVIEW OF BRITAIN'S
DEFENSE COMMITMENTS AND RESOURCES AND HAS ARRIVED AT CON-
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SECRET

PAGE 02 LONDON 04000 150304Z

CLUSIONS THAT MEET THE LETTER IF NOT ALTOGETHER THE SPIRIT

OF ITS PARTY'S DEMANDS FOR DEFENSE CUTS; THAT ELIMINATE MOST OF THE ANACHRONISTIC, IMPERIAL ASPECTS OF RESOURCE EXPENDITURES AND REFOCUS THE REMAINDER ON THOSE NATO TASKS SEEN BY WHITEHALL AS OF CARDINAL IMPORTANCE; THAT RATIONALIZE FORCE STRUCTURE AND DEPLOYMENTS IN WAYS DESIGNED TO MAXIMIZE RESIDUAL COMBAT CAPABILITY AND SAVE MAJOR RE-EQUIPMENT PROGRAMS PLANNED OR UNDERWAY; AND THAT STOP SHORT OF THREATENING BRITAIN'S POSITION AS A MAJOR FORCE WITHIN THE NATO ALLIANCE.

2. THIS HAS BEEN NO MEAN FEAT: BOTH THE SUBSTANCE OF THE REVIEW AND THE APPROVAL PROCESS IN THE CABINET HAVE BEEN SKILLFULLY MANAGED. FIELD MARSHALL CARVER -- SUBSTANTIVE ARCHITECT OF THE REVIEW -- HAS SUCCEEDED IN FORMING A PROGRAM THAT SLASHES COMMAND AND LOGISTIC TAIL WITHOUT IMPAIRING ESSENTIAL CAPABILITY AND THAT VIRTUALLY ELIMINATES THE POST-IMPERIAL LEAVINGS IN FAVOR OF CONCENTRATION ON NATO TASKS CONSISTENT WITH BRITAIN'S ROLE AS A EUROPEAN POWER. NO CHIEF OF STAFF HAS RESIGNED, AND THE NAC HAS ACCEPTED THE PROGRAM, ALBEIT WITH RESERVATIONS. ON THE POLITICAL LEVEL, PRIME MINISTER WILSON HAS PERSONALLY STERRED THE PROGRAM THROUGH CABINET, CLEVERLY PLAYING OFF LEFT-WING DEMANDS FOR DEEP CUTS AGAINST THE IMPERATIVE TO RETAIN JOB-PRODUCING PROCUREMENT PROGRAMS AND THE CONCOMITANT NEED TO POSTPONE THE MAJORITY OF DEFENSE CUTS UNTIL THE LATTER YEARS OF THE DECADE-LONG PLANNING CYCLE. AS A RESULT, THE LABOR CABINET HAS APPROVED A DEFENSE PROGRAM THAT RETAINS ALL ESSENTIAL EQUIPMENT PROGRAMS, ENHANCES BRITAIN'S CONTRIBUTION TO NATO'S CENTER REGION (AT SOME LOSS, TO BE SURE, TO ITS ABILITY TO OPERATE IN AND REINFORCE NATO'S FLANKS), INCLUDES A MOD-EST EXPENDITURE INCREASE IN REAL TERMS FOR FY75 AND 76, AND PROJECTS POLITICALLY MOTIVATED "SAVINGS" ONLY IN THE FY80-84 PERIOD BY WHICH TIME CIRCUMSTANCES BOTH IN BRITAIN AND ABROAD COULD CHANGE CONSIDERABLY.

3. CLEARLY THE WILSON-CARVER PLAN HAS ITS FRAILTIES AND COULD COME UNSTUCK. THE VOCAL LABOR LEFT PROBABLY WILL BLANCH AND CLAIM BETRAYAL WHEN THE WHITE PAPER IS TABLED ON MARCH 29 AND IT REVEALS NOT ONLY THAT THE "HUNDREDS OF SECRET

SECRET

PAGE 03 LONDON 04000 150304Z

MILLIONS OF POUNDS SAVINGS" ARE NOT TO BE REALIZED UNTIL SOMETIME IN THE HAZY FUTURE BUT THAT DEFENSE SPENDING WILL ACTUALLY INCREASE OVER THE NEXT TWO YEARS WITH ADJUSTMENTS FOR INFLATION SWELLING THE TOTAL IN CURRENT POUNDS EVEN FURTHER. THAT THE LEFT WILL GENERATE SOME HEAD SEEMS CERTAIN, BUT THE PROGRAM APPEARS IN NO REAL DANGER AS FEW IF ANY TORIES WOULD BE EXPECTED TO JOIN WITH THE TRIBUNE GROUP TO DEFEAT A DEFENSE PROGRAM AT THAT

MOST OF THEM PRIVATELY WOULD AGREE IS NOT UNREASONABLE.

4. THE OTHER DANGER, OF COURSE, IS THAT CIRCUMSTANCES OR EVENTS MAY CONSPIRE TO UPSET THE GOVERNMENT'S CALCULATIONS, DOULD LEAD IT TO UNDERFUND THE PROGRAM OR FORMALLY REDUCE DEFENSE SPENDING EARLY ON. THIS, IN TURN, COULD SERIOUSLY UNDERMINE BRITAIN'S WILL, AND LEND WEIGHT TO OTHER FORCES INIMICAL TO THE ALLIANCE'S FUTURE VIABILITY.

5. IN SHORT, WE THINK THAT BRITAIN AND NATO HAVE COME AWAY FROM THE DEFENSE REVIEW RATHER BETTER THAN INITIALLY MIGHT HAVE BEEN EXPECTED. NOTHING VITAL HAS BEEN LOST, AND THE INGREDIENTS FOR A CONTINUED, MEANINGFUL BRITISH CONTRIBUTION TO WESTERN DEFENSE ARE STILL PRESENT. AT THE SAME TIME, LABOR'S CONTINUED AMBIVALENCE TOWARD DEFENSE AND BRITISH PERCEPTIONS OF THEIR ABILITY TO SUPPORT MAJOR FORCES IN TIMES OF ECONOMIC DIFFICULTY WILL EXERT CONTINUING PRESSURE ON THE 1975 SOLUTION. BOTH THE U.S. AND OUR OTHER NATO PARTNERS SHOULD REMAIN ALERT TO THESE POTENTIALITIES WHICH, IF REALIZED, COULD UNDO A GREAT DEAL OF USEFUL EFFORT EXPENDED OVER THE PAST YEAR TO RATIONALIZE BRITAIN'S DEFENSE EFFORTS WITHOUT UNDERMINING BASIC WESTERN SECURITY INTERESTS.
RICHARDSON

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